

HOUSE BILL REPORT

HB 2076

As Reported by House Committee On:
Higher Education

Title: An act relating to roles and responsibilities of the higher education coordinating board.

Brief Description: Requiring a statewide strategic plan for higher education.

Sponsors: Representatives Kenney, Cox, Fromhold, Chase, Miloscia, Conway, Berkey, Upthegrove, Moeller, Wood and Schual-Berke.

Brief History:

Committee Activity:

Higher Education: 2/28/03, 3/5/03 [DPS].

Brief Summary of Substitute Bill

- Clarifies and expands the role of the Higher Education Coordinating Board (HECB) in strategic planning for higher education. Requires institution-level strategic plans and the HECB's review of new programs and budget requests to be aligned with the statewide strategic plan.
- Creates a Joint Select Committee for the 2003 interim to define legislative expectations for the strategic plan and examine opportunities to update other HECB responsibilities.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Kenney, Chair; Fromhold, Vice Chair; Cox, Ranking Minority Member; Priest, Assistant Ranking Minority Member; Berkey, Boldt, Buck, Chase, Clements, Condotta, Gombosky, Jarrett, Lantz, McCoy and Morrell.

Staff: Barbara McLain (786-7383).

Background:

The HECB was created by the 1985 Legislature. It has responsibilities for planning and coordination; is assigned a variety of rule-making, regulatory, and administrative

responsibilities; and manages an array of state financial aid programs.

Comprehensive Master Plan: The HECB is charged with identifying the state's higher education goals, objectives, and priorities. The HECB is also directed to establish role and mission statements for the various institutions, including the community and technical college system. Every four years the HECB updates a master plan for higher education, in consultation with public and private institutions and other state education agencies. The statute outlines a number of needs assessments to be included in the master plan, such as:

- Basic and continuing needs of various age groups;
- Business and industrial needs for a skilled work force;
- Demographic, social, and economic trends;
- College attendance, retention, and dropout rates; and
- Needs of recent graduates and placebound adults.

At the time of its creation, the HECB was directed to place its initial planning priorities on heavily populated areas underserved by public institutions. In addition the HECB recommends enrollment levels, tuition and fee policies, and priorities for financial aid based on comparisons with peer institutions.

When a new master plan is created, the HECB submits it to the Legislature for approval by concurrent resolution. Once approved, the plan is intended to serve as the state's higher education policy. The next master plan is due to the Legislature by December 1, 2003.

In addition to the state master plan, institutions are supposed to develop their own institution-level plans and the State Board for Community and Technical Colleges (SBCTC) develops a system plan for community and technical college training and education.

HECB Regulatory Responsibilities: The HECB is responsible for reviewing and approving certain activities of the four-year institutions, including new degree programs and off-campus programs and education centers. There are no statutory criteria for this review. The HECB also evaluates and makes recommendations to the Governor and the Legislature on operating and capital budget requests from the four-year institutions and the community and technical college system. This review is based in part on the findings from the master plan.

Review of the HECB Mission. In a 2003 report the Washington State Institute for Public Policy found varying opinions among interview respondents about how the HECB is meeting its mission. Generally, the HECB's regulatory responsibilities were viewed less favorably than its administrative responsibilities. Many respondents spoke of the HECB role in planning as its most important function, at least in theory. There was, however,

criticism of recent master plans.

Summary of Substitute Bill:

Statewide Strategic Plan: The HECB is directed to develop a statewide strategic plan that proposes a vision and identifies goals and priorities for higher education. The HECB will also specify strategies for maintaining and expanding access, affordability, quality, efficiency, and accountability. In addition to consulting with institutions and state education agencies, the HECB will seek input from students, faculty organizations, community and business leaders, the Legislature, and the Governor.

The HECB's current responsibility to develop institutional role and mission statements forms a foundation for the plan. In performing this function, the HECB is also directed to determine whether certain major lines of study or types of degrees, including applied or research degrees, will be uniquely assigned to some institutions.

Most of the needs assessment information referred to in the current master plan is included in the new strategic plan. New information for consideration includes: demand for opportunities for lifelong learning; technological trends and their impact on service delivery; and transfer rates.

The strategic plan is required to have certain components. The HECB continues to recommend enrollment levels, tuition and fee policies, and priorities for financial aid. Enrollment recommendations will be based on forecasts and analysis of data about demand for higher education. Recommendations on tuition and financial aid policies are no longer required to be based on comparisons with peer institutions. New aspects of the plan include state or regional priorities for new or expanded degree programs or off-campus programs and for addressing needs in high demand fields. The plan will recommend policies to improve the efficiency of student transfer and graduation or completion. Finally, the plan must recommend specific actions to be taken and identify measurable performance indicators and benchmarks for gauging progress in achieving the state's goals and objectives for higher education.

The HECB must present the plan in a way that provides guidance for other planning and decision-making efforts by institutions, the Governor, and the Legislature. A draft statewide strategic plan based on these revisions is due to the Legislature by December 15, 2003. The HECB publishes a final report incorporating any legislative changes by June 1, 2004.

In exercising its regulatory responsibilities regarding program approval and review of institution capital and operating budgets, the HECB must consider how the proposals align with and implement the statewide strategic plan. The HECB must develop guidelines and objective decision-making criteria regarding approval of proposals.

Institution-level plans (including the comprehensive plan prepared by the SBCTC for the community and technical college system) must implement the statewide strategic plan and also contain measurable performance indicators and benchmarks.

Joint Select Committee. A Joint Select Committee (Committee) with 12 legislative members is created to provide guidance for the statewide strategic plan and review options pertaining to the HECB. Members of the House and Senate higher education and fiscal committees are included. The Committee will define legislative expectations for the strategic plan; make recommendations for ensuring coordination of capital and operating budgets with the strategic plan; and examine opportunities to update the other roles and responsibilities of the HECB. The Committee will report its findings and recommendations by January 2, 2004.

Substitute Bill Compared to Original Bill:

The HECB will seek input from, among others, faculty organizations in developing the strategic plan. Enrollment recommendations will be based on forecasts and analysis of data about demand for higher education. Recommendations on tuition and financial aid policies are no longer required to be based on comparisons with peer institutions. The HECB may submit a draft plan by December 15, 2003 and a final plan by June 1, 2004, rather than the final plan being due December 1, 2003. In exercising its regulatory responsibilities regarding program approval, the HECB must develop guidelines and objective decision-making criteria.

The Committee is expanded from eight to 12 members and includes both higher education and fiscal committee members. In addition to examining other roles and responsibilities of the HECB, the Committee will provide policy direction for the strategic plan and make recommendations for ensuring coordination of capital and operating budgets with the strategic plan. It is no longer expected that the Committee will consider options for performance compacts between the state and higher education institutions.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: If the master plan is to be of value, the HECB needs clear expectations for what is to be included in the plan. The HECB needs a specific, clear assignment. It has been some time since the HECB examined institutional roles and missions. This is a complex undertaking. This, along with heightened expectations for the plan, causes the HECB to question whether it can meet the December timeline. This type of planning

must be extremely collaborative. The HECB is also committed to further review of its own mission, but over the next year it needs to focus on the strategic plan. Perhaps it would be more appropriate to put off further internal review until after this planning period. The HECB is committed to creating a benchmark plan for the future of higher education that meets legislative and state needs.

Testimony Against: None.

Testified: Marc Gaspard, Higher Education Coordinating Board.